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RECEIVED

September 22, 2000

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
445 - 12th Street, SW – Room TWB-204
Washington, DC 20554

RE: Ex Parte – CC Docket 94-129 /
Implementation of the Subscriber Carrier Selection
Changes Provisions of the Telecommunications Act of
1996, Policies and Rules Concerning Changes of Consumers
Long Distance Carriers

Dear Ms. Salas:

On September 21, 2000, AT&T's Peter Jacoby, Kathleen Cronin, Rebecca Yung-Eng, Dermot Bree, and I met with Dorothy Attwood, chief, Common Carrier Bureau; Michele Walters, associate chief, CCB Accounting Policy Division; Carol Matthey, CCB Deputy Chief; Dana Bradford, Common Carrier Bureau; and Will Cox, Common Carrier Bureau. We discussed AT&T's views as previously expressed in this proceeding and associated competitive landscape changes impacting effective implementation of the Slamming Orders.

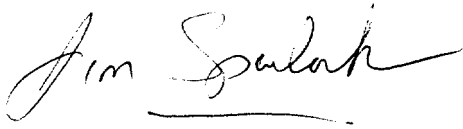
A copy of the written material that was distributed at that meeting is attached.

In accordance with Section 1.1206(a)(2) of the Commission's rules, two copies of this Notice are being submitted to the Secretary for inclusion in

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the public record for the above-captioned proceeding. Due to the timing of yesterday's meeting, this letter is being filed as expeditiously as possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Spulak". The signature is fluid and cursive, with a horizontal line drawn underneath the name.

Attachments

cc: Ms. Attwood
Ms. Bradford
Mr. Cox
Ms. Matthey
Ms. Walters
Mr. Cali
Mr. Jacoby

AT&T Ex-Parte FCC Meeting

**“TPV and other issues relating
to implementation of the FCC Slamming
Orders”**

September 21, 2000

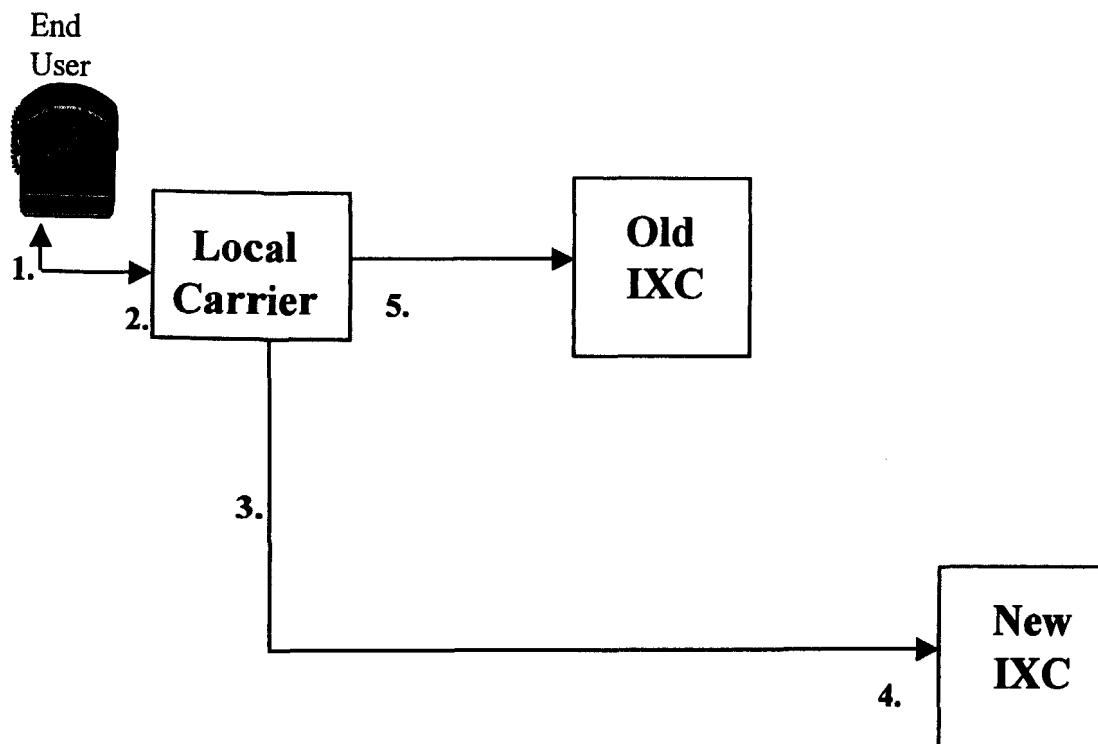
Topics for Discussion

- How IntraLATA and LD PIC Changes Occur Today
- Ways Customer can Question a PIC Change
- TPV and LOA Unavailable for LEC Connects
- In LEC Connect Instances, CARE Code LEC Sends to IXC is Proof of No Slam by IXC
- Recommend LEC Connect Inquiry at Inception of Slamming Complaint
- Relevant Governmental Agency, Not LECs, Should Resolve Slamming Allegations
- Competitive Landscape Changes Impacting Slamming Order Implementation
- Other Slamming Order Implementation Issues

How Do IntraLata and LD PIC Changes Occur Today?

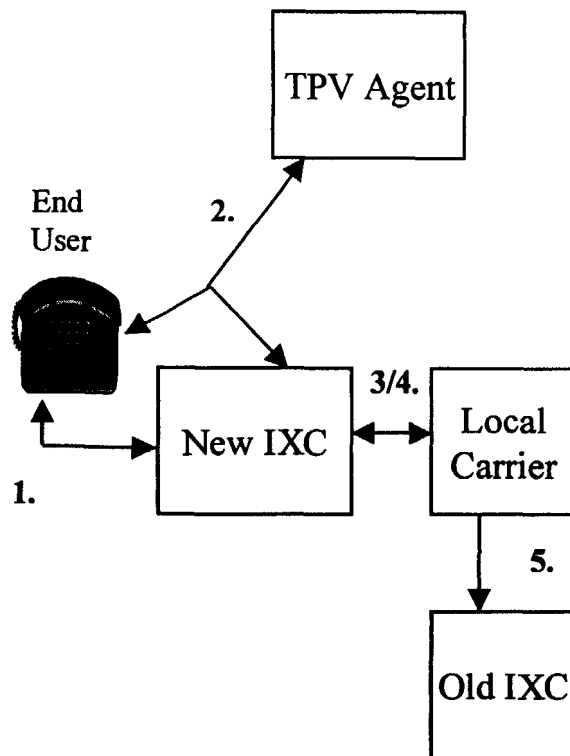
- Customer calls local carrier to request a PIC change or sign up for a new line (“LEC Connect”). No TPV done.
- Customer calls IXC to request a PIC change. IXC has TPV or LOA before submitting PIC change request to local carrier. (If there is a PIC freeze, IXC and customer must make additional calls to LEC to effect PIC change).

PIC Change via Local Carrier



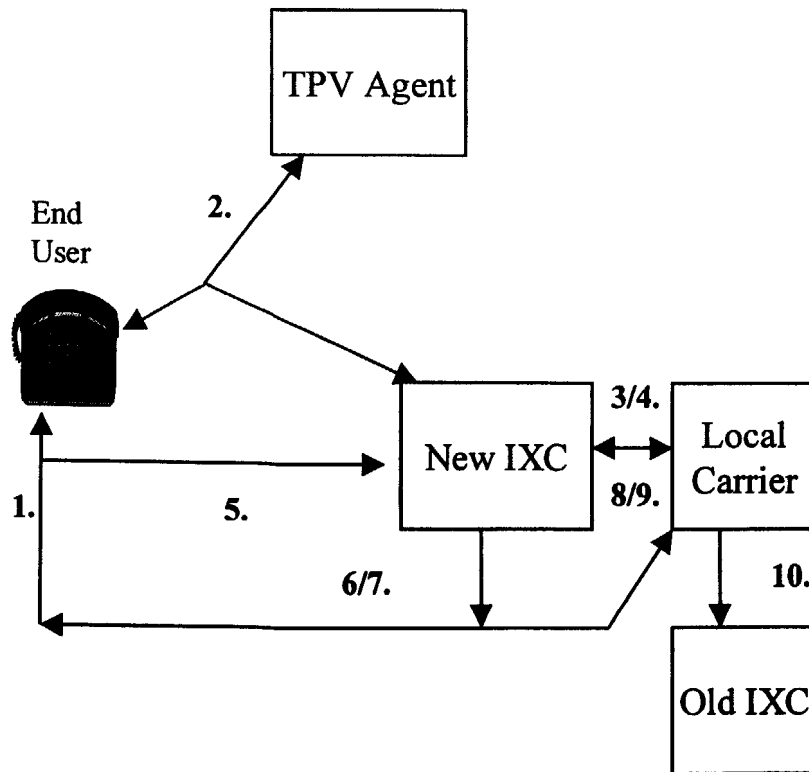
1. End User requests a PIC change by contacting the local carrier directly, without talking with the IXC at all.
2. Only local carrier, and not IXC, is ever in contact with customer. TPV is not required if the Local Carrier is not the new IXC. Some CLECs voluntarily TPV new install orders when the CLEC is the new IXC.
3. Local carrier may send notification (via CARE) to new IXC that the IXC has a new customer. Local carriers are not required to participate in CARE
4. Only direct evidence that new IXC may have of reason for PIC change is notice (via CARE) from local carrier indicating that PIC has been changed and that local carrier changed PIC as a result of contact between local carrier and customer.
5. Local Carrier may send outPIC to old IXC via CARE. If Local Carrier is the old IXC, Local Carrier provides itself this notification.

PIC Change via IXC (Not Frozen)



1. End User requests InterLATA/IntraLATA PIC change.
2. New IXC bridges on TPV Agent and completes TPV process with customer.
3. New IXC sends PIC order to Local Carrier via CARE.
4. Local Carrier sends confirmation to New IXC via CARE.
5. Local Carrier sends outPIC to old IXC via CARE. If Local Carrier is the old IXC, Local Carrier provides itself this notification.

PIC Change via IXC (Frozen)



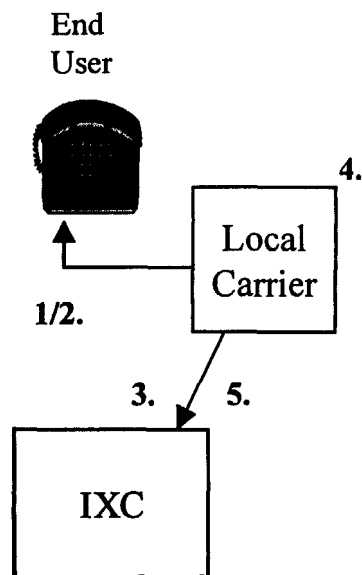
1. End User requests InterLATA/IntraLATA PIC change.
2. New IXC bridges on TPV Agent and completes TPV process with customer.
3. New IXC sends PIC order to Local Carrier via CARE. New IXC does not know there is a PIC freeze. Often, customer does not know there is a PIC freeze.
4. Local Carrier sends PIC freeze rejection to new IXC via CARE.
5. New IXC must attempt to re-contact customer to attempt PIC freeze lift.
6. If re-contact is successful and customer wishes to lift freeze, new IXC establishes a three-way call with Local Carrier.
7. Customer and IXC attempt to lift PIC freeze.
8. If Local Carrier does not interfere with PIC freeze lift* and lifts the freeze, new IXC resubmits PIC change order.
9. Local Carrier sends confirmation to new IXC via CARE.
10. Local Carrier sends outPIC to old IXC. Where Local Carrier is the old IXC, Local Carrier sends itself the outPIC.

** This occurs most often in intraLATA toll where Local Carrier is the old IXC and is in danger of losing a customer. This process, effectively requires the new IXC to ask permission from its competitor, the Local Carrier, to obtain a customer.*

Ways customer can question a PIC Change (Make a slamming allegation):

- Customer complains to alleged unauthorized carrier, who can:
 - » Explain how order was received and verified
 - » Offer resolution and absolution as appropriate
 - » Educate customer on how to restore service to preferred carrier by calling local carrier or preferred carrier
- Customer complains to preferred carrier, who can:
 - » Process order to re-PIC customer as well as return customer to any optional calling plans
- Customer complains to local carrier, who can:
 - » Process order to restore customer's PIC to the previous carrier or a new carrier selected by the customer. Unclear if LEC will process order pursuant to a PIC switchback or PIC dispute tariff. Unclear if TPV done.
 - » Under new slamming order, LEC will notify alleged unauthorized and preferred carriers of dispute

“No-Fault” PIC Dispute Generated by Local Carrier Via Marketing Contact



1. Local Carrier contacts End User to attempt win back customer for intraLATA * toll.
2. Local Carrier “discovers” during call that customer disputes prior PIC change to IXC.
3. Local Carrier notifies IXC that its customer now disputes the previous PIC change and sends outPIC to IXC. IXC loses customer and generally is charged double the PIC change charge.
It is not clear if TPV is done when the local carrier returns a customer to its service as a result of a PIC dispute.
4. Local Carrier sends itself notification that customer has returned for intraLATA toll as a result of a PIC dispute.
5. If Local Carrier performs billing and collection for IXC, Local Carrier, rather than relevant governmental agency, effectively adjudicates PIC dispute by re-acquiring customer and permanently removing all IXC charges from the bill.

** Scenario can occur in interLATA where Local Carrier has entered that market.*

Instances in which the Alleged Unauthorized Carrier will not have a TPV or LOA

- Customer PICs IXC through LEC Connect
- LECs are not required to verify orders for intraLATA or LD service new line connects, even if the PIC is to itself
- Unclear on practice of TPV where LEC changes PIC pursuant to a PIC switchback or a PIC dispute. Unclear even if LEC returns customer to itself.

Why CARE Code (TCSI) for LEC Connect is proof that the alleged unauthorized IXC did not slam the customer

- Where the IXC has not submitted a PIC change order, it cannot be liable for any slamming claim.
- Under the FCC's anti-slamming rules, there is no TPV requirement where there is no PIC submission by the new IXC.
- In the case of a LEC Connect, the IXC has no contact with the customer and, thus has no opportunity to TPV the service order.
- With a LEC Connect, CARE Code (TCSI) provided by LEC to IXC indicates that it was the LEC that initiated the carrier change, and not the IXC.*
- LEC's admission that it initiated the carrier change places the burden on the LEC to demonstrate that it made the carrier change properly in accordance with the customer's instructions.

* Note: If a LEC does not participate in CARE, an IXC will not receive any TCSI code such as a LEC Connect.

Recommend LEC Connect Inquiry At Inception of Slamming Complaint

- At the inception of a slamming complaint, it may not be known whether the case is a LEC Connect or result of an IXC PIC submission.
- At the same time it sends notice to the allegedly unauthorized carrier, the relevant government agency (FCC or PUC) should request the executing carrier to provide any LEC Connect information.
- Where the LEC is the carrier initiating an unauthorized PIC change, the LEC should be a party to the complaint proceeding and should be held liable. The IXC cannot to be held responsible for LEC misdeeds.

LECs May Not Arrogate the Role of Relevant Governmental Agency in Resolving Slamming Allegations

- LECs through PIC dispute tariffs and B&C agreements arrogates role of relevant government agency in revolving PIC disputes.
- Pursuant to current PIC dispute tariffs, LECs will act as investigator/arbitrator of a customer's slamming allegation and demand an LOA from the IXC. This is inconsistent with the new FCC slamming orders. LECs have no incentive to be neutral arbitrator against their competitors. Unclear to date, whether and how LECs will revise PIC dispute tariffs.
- If Local Carrier performs billing and collection for IXC, Local Carrier, rather than relevant governmental agency, may effectively adjudicate PIC dispute by switching customer back and removing all IXC charges from the bill without consulting IXC on propriety of doing so. IXC will not know whether charges are permanently removed and satisfied customer will not file complaint or whether charges have been removed customer pending complaint proceeding by still-unsatisfied customer.

Relevant Governmental Agency, Not LECs, Should Resolve Slamming Allegations *(Continued)*

- Numerous LEC Billing and Collection agreement issues associated with absolution of charges
 - B&C's do not provide agency to LECs to credit slamming charges.
 - If the LEC tried and was unsuccessful in referring customers with billing inquiries to the provisioning carrier, B&C's then limited permission for LECs to adjust disputed charges does not permit LECs to adjust slamming charges and provide 30 day absolution.
 - Slamming charges as regulated by federal and state law, are not part of category of generally disputed charges.
 - LECs have not confirmed that they won't adjust slamming charges by providing 30 day absolution as a type of disputed charge.
 - If LECs do adjust slamming charges, LEC must provide timely crediting detail to IXC for IXC to assure that customers receive full rights. LECs are reviewing their positions on providing detail.

Many Issues in Implementation of the Slamming Order Arise Out of the fact that LECs now compete directly with IXC's

- As executing carriers, LECs may issue PIC changes erroneously and have incentive to win customer who has now been slammed by another carrier and calls LEC to complain. If LECs are not liable for initiating erroneous PIC changes, there is no disincentive to such activity.
- As executing carriers, LECs have incentive to record any customer service changes as PIC switchbacks and/or PIC disputes and report slamming allegations by their competitors to the FCC. There is no incentive for LEC to even ask basic questions to determine if customer's wish to change service is truly related to an apparent slam vs. buyers remorse, confusion about calling card and casual calling charges appearing on bill, etc.

Implementation Issues Arising from Competition (continued)

- In providing billing and collection services, LECs who are called by a customer have incentive to provide 30 day or more than 30 day absolution against an IXC as part of effort to make customer happy and win customer to LEC as preferred carrier for IntraLATA or LD service. LEC has no incentive to weed out slamming allegations against IXCs that in reality have nothing to do with slamming.

Other Slamming Order Implementation Issues

- Anticipate problems with conflicting state slamming rules and opt-ins
- How will slamming complaint referrals work when the complaint is first received by the LECs